

# Welfare to work initiatives: understanding the politics of subcontracted service delivery



*Drawing on empirical research on the recent Work Programme, [Rebecca Taylor](#), [James Rees](#), and [Christopher Damm](#) explain how providers from the public, private, and third sector experienced delivering it; and how the supply chain model worked.*

In spring 2017 the government's main welfare to work initiative – the imaginatively titled Work Programme – reached its unheralded conclusion. It was replaced by the [Work and Health programme](#), the main feature of which is that its remit includes unemployed people with health conditions and disabilities.

This type of programme 'upgrade' is not unusual – Work and Health is the latest in a long roll-call of programmes and pilots implemented since the 1990s. Many people probably remember the New Deal, although perhaps fewer remember the 'Flexible' New Deal. Whilst these policy interventions are united in their focus on labour market activation (getting the unemployed into work as quickly as possible) the programmes themselves have developed substantially over the past 20 years. This is because increasingly complex subcontracting arrangements have seen providers from across the public, private, and third sectors delivering services in supply chains led by (predominantly) private sector 'Primes', and paid only when sustained job outcomes are achieved (payment by results).

Studies of these employment programmes fall into two camps: formal evaluations of how well the programme worked, commissioned by the Department for Work and Pensions; and rather more critical studies of the experiences of participants and providers conducted by academics, informed by debates about welfare reform and the role of the state.

Our own study of the Work Programme conducted in 2012/13 focused on two particular issues: how the newest iteration of the supply chain model worked (i.e. how did prime providers commission and manage services from other providers); and how the different providers experienced delivering the programme, particularly in the light of its novel payment by results financing.

The question of the sector of origin of the subcontracted providers was, at that time, a controversial issue. Organisations from both the third and private sectors had a long history of delivering employment services but the supply chain developments and financing of the Work Programme was seen as creating a hostile environment for third sector organisations, even squeezing them out of the arena. Critical [media coverage](#) often presented the third sector as 'a victim' of a profit-hungry private sector and a cost cutting government. We wanted to explore these issues more systematically.

The methodology involved conducting case studies of delivery in two areas chosen for their diversity (inner city vs semi-rural, north vs south). We mapped the supply chains in those areas and then attempted to interview a sample of the prime and subcontracted providers from different sectors. Four private sector Primes were interviewed, as were ten third sector, three private sector and one public sector provider.

This was not a straightforward research project by any means. The Department for Work and Pensions appeared defensive, some of the subcontracted providers – particularly those from the private sector – were secretive, and others were worried about jeopardising their contract by talking about the programme. However, the resulting data provided fascinating insights into the nature of employment services and the politics of subcontracted service delivery.

Our [paper](#) in *Policy and Politics* focuses on the way the introduction of the Work Programme, with its quite radical model, created an 'unsettlement' within the employment services field. In the article we use the notion of the strategic action field developed by Fligstein and McAdam (2012) to capture the idea of the quasi-market of employment services as a positional game. It helps to imagine the providers as teams at the start of the new season, anticipating not only new players on the pitch but new rules of the game, requiring new strategies to ensure a win. In effect the creation of the Work Programme had changed the rules of the game and the result was an 'episode of contention', marked by a shared sense of uncertainty regarding the new rules and power relations within the field that disrupted and realigned relationships between prospective providers.

Through our research we were able to capture some of what providers were doing to make sense of the new environment and how they were responding with strategies to mitigate uncertainty and risk (or indeed failing to do either!). By exploring the strategic action of providers operating within a quasi-market we were alerted to their diversity of resources, experience, self-defined mission and 'voice', and the way these characteristics shape their ability to negotiate the new rules of the game. For example, we showed how some specialist providers – those who focused on supporting harder to reach groups with, for example, drug and alcohol problems, mental health issues or various disabilities – strategically re-orientated their services to become generic providers to ensure their continued position in the field.

Others were, however, less aware of the nature of changes to the rules governing the field, did not have the resources to re-orientate their services, or were unwilling to make changes in ways that might, in their view, undermine their mission. One of our starting points for the research was a concern with the way 'sector' has been deployed (by academics as much as policy commentators) in a reductionist way to understand differences between providers. 'Field theory' highlights how sector is only one category among many which intersect to influence organisations' positioning within the field and ultimately the success of the programme.

As the new Work and Health programme beds down, many of these issues remain salient: the realignment of services away from tailored provision for groups with specific issues towards less risky generic support is likely to have implications for a programme with a focus on groups with diverse health needs. So too is the gradual reduction in overall funding of these programmes which will increase competition between providers for available resources, and potentially reduce diversity and innovation.

Arguably, with unemployment at record lows, one plausible scenario is the ending of employment programmes altogether. But we are once again witnessing a major unsettlement and episode of contention. The questions we asked about the Work Programme continue to have resonance, including in other international and service delivery contexts: Who are the players? What are their strategies? And who are the winners and losers in the supply chain economy of public service provision?

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Note: the above draws on the authors' [paper](#), published in *Politics and Policy*. (DOI: [10.1332/030557314X14079275800414](https://doi.org/10.1332/030557314X14079275800414).)

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